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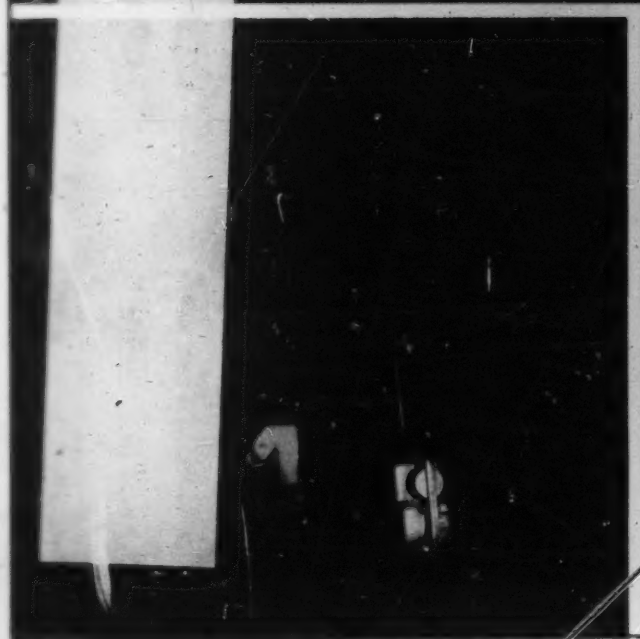
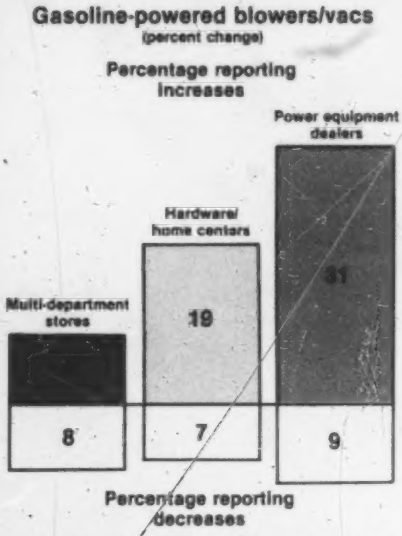
Lawn&Garden Marketing

APRIL/MAY 1985

Reports on: • Productivity problems

• Rodenticides • New consumer data





8 **Cover story:** Retailers reporting increased sales of gas-powered blowers/vacs credit a greater consumer awareness.

20 **Of a consumer gardening panel, 81 percent said they purchased tools and accessories in fall 1984.**

APRIL/MAY 1985 VOL. 24, No. 4 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

6 **Product Movement Report.** Replacement parts lead all in 1984-85 winter sales data.

8 **Fall's best sellers:** A two-part report, based on a new LGM survey.

9 of 12 power equipment categories show increases.

8 categories up, bulbs lead all. A report on lawn and garden supplies and accessories.

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26 **"Improve productivity."** Productivity problems and the distributor of the 1990s were topics addressed at the fifth annual OPEDA meeting. Taylor Boyd is new president.

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Coming in June: Winter merchandising • Floor planning for outdoor power equipment products • ABCs of Watering Products.

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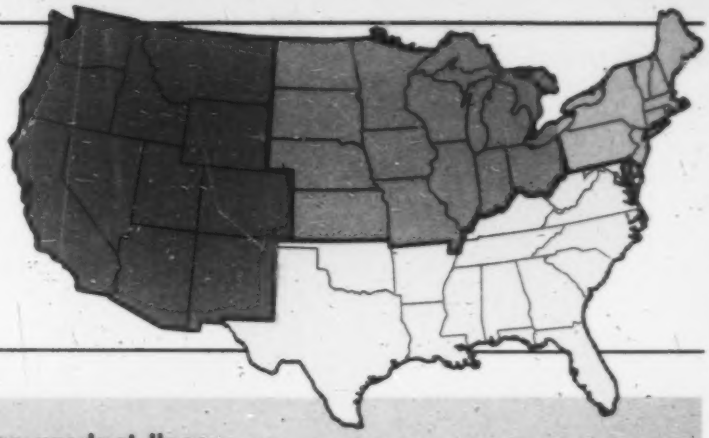
Product Movement Report winter 1984-85



■Retailers reported sales in five of seven product lines for winter 1984-85 were up from the previous year according to a survey by **Lawn & Garden Marketing.**

Replacement parts showed the strongest growth of any product. Almost 42 percent of retailers reported sales up and only 6.8 percent said they were down. The figures indicate a continued interest in repairing power equipment rather than replacing it.

All three categories of replacement parts retailers indicated sales were up, but the most dramatic increases were reported by power equipment dealers. More than 56 percent said sales for replacement parts were up, and only 8.7 percent reported sales were down.

Indoor plant food sales increased nationally with 27.5 percent of the survey respondents reporting sales were up. Only 7.9 percent indicated lower sales, and more than half said sales remained the same.

Birdfeeders also continued to show increased sales. More than 35 percent of the retailers reported sales were up while 9.6 percent said sales were down. The best regional sales were reported in the North Central where 47.7 percent reported sales up. Because of the extreme cold in that area, part of the increase may be attributed to the weather.

Retailers also indicated sales of trim-a-tree products were up. Nationally, 23.6 percent of the retailers said sales were up while 9.6 percent said they were down.

The Northeast, North Central and West all had retailers reporting a downturn in kerosene heaters. The percentages ran close to the national figures in the North Central and West, but sales appeared to be much worse in the Northeast; the South was the only region where more retailers reported increased heater sales than decreased. In the South, 25.6 percent said sales were up, and 18.0 percent said they were down. The unusual cold may have contributed to sales in the South.

Power equipment dealers reported the weakest sales with 9.2 percent saying kerosene heater sales were up, and 24.0 percent saying they were down.

Snowthrowers continued to be a strong seller with 27.7 percent of retailers indicating increased sales, and 12.5 percent indicating decreases. The strongest increases were reported in the North Central and Northeast.

Tractor attachments was the only other product line not to show an increase in sales. Nationally, sales remained steady and the trend was similar in each region except the West.

Overall sales for winter in all product lines except kerosene heaters appear to be at least holding steady, and in some regions even heaters appear to be doing better. □

Seven product lines measured

		TOTAL %	NORTHEAST %	N. CENTRAL %	SOUTH %	WEST %	
Plant foods	Up	27.5	19.5	23.3	33.3	37.5	↑
	Same	53.3	63.4	57.8	45.5	43.8	
	Down	7.9	4.9	7.8	7.6	12.5	
Birdfeeders	Up	35.4	29.3	47.7	31.9	15.6	↑
	Same	31.0	31.7	27.8	33.3	34.4	
	Down	9.6	4.9	6.7	13.6	15.6	
Trim-a-tree	Up	23.6	29.3	26.7	13.6	28.2	↑
	Same	15.3	12.2	20.0	16.7	3.1	
	Down	9.6	12.2	8.9	12.1	3.1	
Kerosene heaters	Up	15.1	8.6	13.6	25.6	10.5	↓
	Same	9.7	7.1	8.0	12.6	13.2	
	Down	26.0	31.4	26.4	18.0	31.6	
Snowthrowers	Up	27.7	37.1	40.0	2.6	21.1	↑
	Same	14.5	22.9	20.8	.....	7.9	
	Down	12.5	24.3	12.0	3.9	10.5	
Tractor attachments	Up	18.0	21.4	20.8	15.4	7.9	↔
	Same	30.2	37.1	24.8	30.8	34.2	
	Down	19.3	25.7	19.2	12.8	21.1	
Replacement parts	Up	41.8	47.1	47.2	38.5	21.1	↑
	Same	37.0	34.3	28.8	44.9	52.6	
	Down	6.8	7.1	5.6	6.4	10.5	

Because of multiple responses, percentages do not add up to 100%

Seven product lines sold through four key classes of retailers were measured by **LGM** for this survey.

FALL'S

9 of 12 OPE categories show increases

■"I probably could have sold a couple of hundred leaf blowers had we not broke stock on them so soon," said one multi-department store manager.

"Backpack blowers sold!" said a garden center owner. And, "Our leaf blowers were up," commented a power equipment dealer.

These are just some of the typical comments on 1984 fall sales of portable power blowers/vacuums received from respondents to an **LGM** questionnaire sent to these three classes of retailers and to hardware/home centers.

Responses to questions about fall sales in various product categories indicated significant sales growth in the category of blowers/vacuums. Some 25 percent of those who carried the product line indicated gas-powered blowers increased in sales; only 8 percent indicated any decreases, and 33 percent said sales of these units were about the same as the previous year. (All percentages reflect only those respondents carrying the particular product lines.)

Yet, proportionately, more power equipment dealers carry the gas-blowers than any other class of retailer, and 31 percent of the dealers indicated their sales were up; only 9 percent indicated any decreases.

One factor contributing to this growth may be simply a greater consumer awareness of the uses and availability of the blowers. "They're just now catching on in this part of the country," says Don Wunder, owner of Don's Small Engine Service, Hartford, Wis.

Wunder, who reported sales had increased in his operation, says, "I've even sold some to car dealers who use them to blow snow off their cars."

J. Bachtig, president of Valley Tools Inc., Jefferson Valley, N.Y., credits the nationwide sales increases to the availability and appeal of the backpack blower, which he says has provided "tremendous ad-

continued on page 12...

8 categories up, bulbs lead all

■"Live outdoor plant sales were up," said one North Central garden center respondent. "Bulbs and related items were up; overall, gross sales for the period were up."

Comments like these were indicative of many responses to an **LGM** questionnaire about 1984 fall product sales. Questionnaires were sent to multi-department stores, garden centers, hardware/home centers, and outdoor power equipment specialty retailers. (Data from the OPE retailers is in a separate report in this issue.)

Results show that bulb and bulb fertilizer top the list as two of fall's fastest-growing product categories. Thirty-seven percent of the respondents indicated fall sales of bulbs increased, and only 6 percent indicated decreases. (All percentages reflect only those respondents carrying the particular product lines.)

Fifty-six percent of the garden center respondents, however, indicated increases, and only 7 percent indicated decreased sales of bulbs.

Perhaps one factor contributing to the overall growth in bulb sales may be decreases in prices, says Norman Welch, manager of Family Tree Garden Center, Boston.

Welch, who indicated an increase in sales of bulbs at Family Tree, says that bulb prices have gone down substantially over the last few years, and a "25-30 percent retail price reduction" has encouraged the public to "discover" fall planting. Prices have dropped due to a number of factors, including the value of the dollar compared to foreign currencies, says Welch.

Bulb fertilizer increased in sales also, said 37 percent of the respondents; only 8 percent indicated any decreases. And 52 percent of the garden centers, which account for

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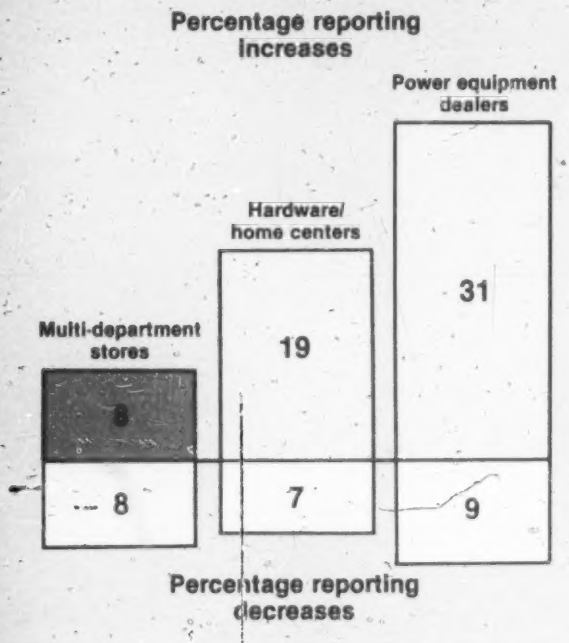
BEST SELLERS

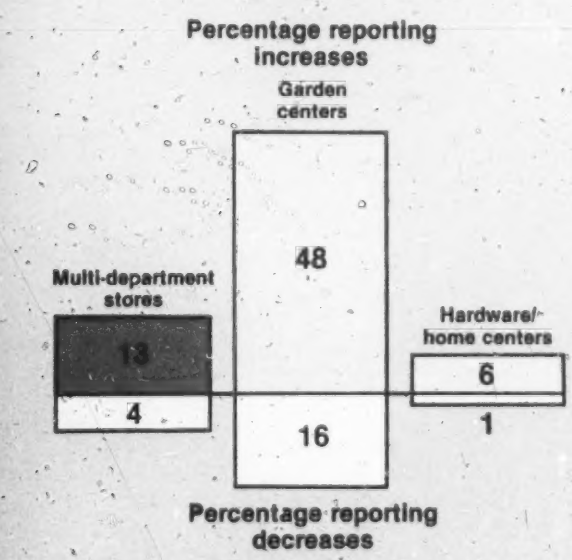
Gasoline-powered blowers/vacs
(percent change)



Products handled, power equipment
(% carrying)

	Multi-dept. stores	Hardware/ home centers	Power equip. dealers
Electric blower/vacs	58%	68%	44%
Gas-powered blower/vacs	42	48	78
Chainsaws	46	76	85
Saw chain replacement	46	74	83
Snowthrowers:			
electric	38	28	25
single-stage	33	40	60
two-stage	33	34	67
Snowthrower replacement parts	25	29	68
Lawn & garden tractors	42	48	87
Batteries for lawn & garden tractors	42	43	93
Spark plugs and ignition components	58	76	99
Replacement parts	58	65	99

Tree sales (percent change)



Products handled, supplies and accessories
(% carrying)

	Multi-dept. stores	Garden centers	Hardware/ home centers
Indoor plants	46%	65%	15%
Planters:			
clay	46	83	57
ceramic	50	71	47
plastic	63	78	60
Plant foods	67	97	85
Potting media	63	97	74
Plant lights	38	52	58
Trees	33	92	12
Shrubs	33	90	14
Bulbs	50	90	39
Blood meal	42	65	68
Bulb fertilizer	42	97	60

Bulbs

...continued

the greatest percentage of those carrying the product line, indicated increases; only 9 percent reported decreases.

Blood meal sales increased in sales said 17 percent of the respondents; 11 percent said they experienced decreases.

Demand for large trees, shrubs

Twenty-eight percent of the respondents indicated increased sales of trees in the fall; only 9 percent indicated decreases. Again, garden centers topped the list here, with 48 percent indicating increased sales and 16 percent indicating decreases.

Again, nationwide, trees and shrubs sales were up due to a number of factors, mostly weather-related. "Due to the mild fall, the tree and shrub sales season was prolonged a little," summed up one Northeast garden center.

However, increased consumer awareness of fall planting is definitely a factor, say many. Even Welch, who says his company is not a member of the promotional program, Fall Is For Planting, readily admits, "I know we have benefited from the program."

In the indoor plant and accessories categories, fall sales were also up. Commented one southern store manager, "With our two hardware stores, we found that we had an increase in urban gardeners; we increased sales of planters and potting soil."

Potting media and plant food sales appear to have a stronghold in fall sales. Thirty-five percent of the respondents indicated fall sales of potting soil were up, and 27 percent of the respondents indicated sales of plant food were up. Garden centers again reported the highest increases in plant food sales, with 35 percent reporting increases and only 10 percent reporting decreases.

Other categories showing increases were indoor plants and some planters. Overall, 17 percent indicated increases in sales of indoor plants, and 7 percent reported decreases.

Although clay and plastic planters remained at least steady sellers, ceramic planters did decrease in sales. Overall, 15 percent reported increases in clay, and 17 percent increases in plastic planter sales; 13 percent reported decreases in clay and 14 percent decreases in plastic planter sales.

But in ceramic planters, 13 percent reported decreases and only 6 percent reported any increases.

One reason for this decline in ceramic planter sales may be due to some amount of maintenance needed compared to plastic planters, says Erwin Wildermuth, president of Almaden Valley Nursery, San Jose, Calif.

There is a certain level of maintenance involved with keeping ceramic (as well as clay) planters saleable, compared with the almost maintenance-free plastic planters, he says. "Ceramic, as well as clay, pots attract algae," says Wildermuth. "They also need more watering than plastic. And when left alone for long, clay turns green with algae; plastic is smooth and algae will not form on smooth surfaces."

One product category reflecting decreases in sales all around is plant lights. Only 10 percent indicated increases, whereas 14 percent indicated decreases. Multi-department stores reported the most decreases: whereas 4 percent reported increases, some 17 percent indicated decreases.

Wildermuth speculates the decreased sales of plant lights may also have to do with the customer's perception of maintenance. If a customer is given a choice between a low-maintenance plant (one that can bear lower temperatures) and one that requires constant higher temperatures (and possible use of a plant light to maintain those high temperatures) that customer will choose the low-maintenance plant, he says.

Despite some decreases in some product categories, all three classes of retailers indicated increases in most. Futhermore, many indicated that they are planning to expand certain lawn and garden lines for the fall 1985 selling season.

Some 32 percent of garden center respondents indicated they were planning to expand in some categories; only 11 percent were planning reductions. Twenty-nine percent of the multi-department stores and 18 percent of the hardware/home centers indicated they were planning expansions; only 8 percent of the multi-department stores and 6 percent of the hardware/home centers were planning reductions.

Flowering bulbs, planters, trees and shrubs, as well as "general expansion of livegoods" were commonly mentioned as expansion lines planned by all three classes of retailers; no specific product reduction was commonly mentioned. □

Indoor plants and accessories

(% reporting sales changes)

		Multi-dept. stores	Garden centers	Hardware/ home centers
Indoor plants	Up	17%	26%	6%
	Down	12	10	2
Planters:				
clay	Up	8	22	9
	Down	8	16	12
ceramic	Up	.....	9	4
	Down	21	15	9
plastic	Up	17	20	12
	Down	.....	20	11
Plant foods	Up	8	35	23
	Down	8	10	6
Potting media	Up	21	45	28
	Down	4	9	3
Plant lights	Up	4	11	9
	Down	17	15	13

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OPE

continued from page 8

vantages over the old wheel-type blowers."

Although electric blowers did not show as significant a sales growth as the gas-powered blowers did overall, hardware/home centers say they sold well there. Some 26 percent of hardware/home centers indicated increases, significant because proportionately more of these retailers carry electric blowers than any other class of retailer.

Overall, however, only 16 percent indicated sales increases of electric blowers, and 10 percent indicated decreases.

Some say the increases in the blower sales may be due to the many commercial users of the product and the consumer awareness generated from seeing that product in commercial uses.

M.D. Brackman, owner of B&B Distributing Co., Hattiesburg, Miss., a wholesale distributor of outdoor power equipment, says he has noted a rapid increase in the use of blowers, due in part to the public seeing them in use by commercial groundsmen. For example, at the University of Southern Mississippi, eight gas-powered units are put into use after each football game, he says.

Brackman's on Broadway, a retail outlet serviced by B&B Distributing, even found surprising sales clout from women in garden clubs to promote electric leaf and litter blowers. The leader of an organization that administers 15 different women's garden clubs in Hattiesburg told the merits of one particular electric blower model, the 600 Green Machine, to club members. As a direct result of her endorsement, the store sold more than 65 of the blowers to club members.

"Snowthrowers saved our bacon!"

In other product categories, responses indicate that although sales of electric snowthrowers were down overall, sales of single- and two-stage snowthrowers were up significantly.

Overall, only 6 percent indicated increases in electric snowthrower sales, and 11 percent indicated decreases. Yet, more hardware/home centers indicated increases than decreases; 9 percent said sales increased in this category; 7 percent said sales decreased.

But both single- and two-stage snowthrowers increased in sales said 23 percent of the respondents overall. Only 13 percent indicated decreases in both product categories.

Power equipment dealers topped the list here with 28 percent reporting increases and 16 percent reporting decreases in sales of single-stage snowthrowers; 34 percent indicated increases and 15 percent indicated decreases in sales of two-stage snowthrowers.

Snowfall, combined with the state of the economy, played important roles in determining sales volume of these higher-priced products. Yet, another important variable, whether or not snowthrower sales began early in the fall, was revealed in respondents' comments. Those respondents who indicated sales successes point to their foresight of selling in early fall, rather than waiting until November or December.

North Central power equipment dealers had this to say: "From the middle of September through November, snowblower sales were excellent." "Fall sales were normal; if we don't sell snowblowers in the fall, we wouldn't sell many in the winter." "For the first time in four or five years, we sold snowblowers pre-season." And, "Snowblower sales were up slightly, but almost all were sold before the snow season."

And these comments from Northeast dealers indicated the same: "Very busy....Most snowthrower sales started in September before we even received our merchandise (due to good advertising)." "Snowthrower sales saved our bacon!" And, "Snowblowers sold good in fall and up to Christmas."

Bachtig of Valley Power Tools, credits the success of his snowthrower sales to the availability of a lower-priced, $500 unit.

Snowthrower replacement parts also increased in sales, the survey shows. Twenty-five percent of the respondents indicated increases, and only 8 percent overall indicated any decreases. Yet, 34 percent of the dealers indicated increased sales, and only 12 percent indicated any decreases.

One reason for snowthrower replacement parts increases may be due to the kind of snow the 1983-84

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Gains ...continued

with editorial or special advertising programs or sections; 80 percent said they received no support at all from the local media.

On a national scale, however, editorial coverage of fall planting has been included in such major magazines as *Family Circle, Good Living, HomeOwner* and *Changing Times* magazines. And editorial tie-in coverage on fall gardening and planting has been scheduled for 1985 in *Organic Gardening, Horticulture, Better Homes & Gardens* and *Flower & Garden* magazines.

Comments gathered from respondents clearly indicate FIFP merchandising aids are both needed and wanted.

Comments on the program as a whole ran the gamut. Some responded critically: "We cannot see that your program, as constituted, has any impact on sales."

Some offered suggestions for improvements to the program: "It's hard to compete with football games; maybe some advertising on sports (programs) in the fall would help to get people aware of yard work in the fall."

Most respondents commented favorably about the program. "Keep up the good work; we are seeing the results."

Some respondents suggested the program join forces with the American Assn. of Nurserymen and coordinate promotional efforts with its Nursery Marketing Council.

An overwhelming majority of respondents to the survey (96 percent) indicated they plan to participate in the 1985 FIFP program. □

During fall 1984, 81 percent of the *BH&G* panelists purchased tools or equipment.

Serious gardeners are becoming more active during the fall gardening season. According to a *Better Homes & Gardens* Consumer Panel survey, 81.3 percent of the respondents purchased lawn and garden tools, equipment or accessories during fall 1984. That is up from 73.8 percent in 1983 and from 62.1 percent in 1982.

The survey, sent to 500 members of the 1,000-member consumer panel, received 427 responses. It is a nationwide panel. Participants were asked to indicate the types of activity in eight categories that they engaged in during fall 1984, 1983 and 1982. Overall, each of the eight categories of activities showed gradually increasing percentages of participation during fall 1984 over the previous two years.

Within the tools, equipment, accessories and materials purchased category, leaf bags were the most often mentioned. Nearly 50 percent of the respondents indicated they had made a leaf bag purchase in fall 1984.

Lawn fertilizer was the second most popular buy in all three years with 36.8 percent buying in 1984, 36.5 percent in 1983 and 29.7 percent in 1982.

Hose attachments, sprinklers and accessories and hoses all ranked high on the list of purchases for 1984. Almost 24 percent of the respondents bought hoses, and 28.3 percent purchased hose attachments, sprinklers or accessories.

Respondents ranked purchases of rakes, shovels, pitchforks and hoes fourth on the list with 28.9 percent.

Purchases of pruners, clippers and saws were rather inconsistent over the three year period. The percentage of respondents making purchases jumped from 10.5 percent in 1982 to 17.6 percent in 1983, and dropped to 16.2 percent in 1984.

Purchases of mulches consistently grew in the three years from 10.8 percent in '82 to 14.1 percent in '83 and then up 16.2 percent in '84.

Wheelbarrow or garden cart purchases also fluctuated during the three fall seasons. Purchases started at 10.8 percent in '82 before dropping to only 6.3 percent in '83. Panelists indicated increased purchases in '84 with the percentage rising to 12.4 percent.

The percentage of respondents reporting purchases of bulb fertilizer jumped from 5.4 percent in fall 1982 to 11.0 percent in 1983. The percentage also increased slightly in 1984 to 12.2 percent.

The highest ticket item mentioned in the study was a tractor or mower. The survey indicated sales of mowers and tractors have been steadily increasing from 8.4 percent to 11.7 percent from '82 to '83 and then decreasing slightly to 11.2 percent in '84.

Mower and tractor attachments also showed growth during the three fall seasons. The percentage of respondents reporting purchases in 1982 was 2.3 percent and rose to 4.0 percent by 1984.

The percentage purchasing fence or posts rose to 10.5 percent after

continued...

Panel ...continued

Fall gardening: 3 years

Major gardening activities engaged in by respondents or members of their households

	1984	% change	1983	% change	1982
Grass/lawn	72.1%	3.7	69.6%	20.2	57.8%
Perennials/ground cover	49.2	12.3	43.8	16.2	37.7
Flower bulbs	48.0	.5	47.8	25.9	37.9
Vegetables	40.0	6.9	37.5	10.3	34.0
Trees	66.3	8.0	61.4	33.0	46.1
Shrubs, bushes, hedges, etc.	66.7	12.2	59.5	22.7	48.5
Patio/deck work	27.6	51.3	18.3	14.7	15.9
Purchased tools, equip., accessories	81.3	10.2	73.8	18.9	62.1

dropping to 6.6 percent in 1983. The figure started at 7.5 percent in 1982.

Spreaders ranked twelfth on the list all three seasons showing steady growth from 7.0 percent in '82 to 7.7 percent in '83 and 8.4 percent in '84.

For loppers, hedge trimmers and pole tree trimmers the percentage of purchases remained steady at 8.4 percent in '83 and '84, increasing from 7.0 percent in 1982.

Leaf pick-up and clean-up devices showed significant percentage increases in purchases each of the three years reaching 7.7 percent in 1984.

The percentage of participants indicating leaf bag cart or holder purchases made a leap from 2.1 percent in 1982 to 4.9 percent in 1983 then slacked off in 1984 at 4.2 percent.

Power blowers, which appear to be a growing market, showed a similar trend. Only 1.4 percent of the panelists reported a power blower purchase in 1982, but the figure jumped to 2.8 percent in 1983. In 1984 it leveled off at 2.6 percent.

Bulb sales climb at 15-25% rate

In 1983, worldwide sales of Dutch flower bulbs amounted to $350 million. During that period, 800 million flower bulbs were sold in the United States, a 15 percent increase over 1982. Though figures for 1984 are still being compiled, a further 25 percent increase in U.S. volume is anticipated.

Meanwhile, the Netherlands FlowerBulb Information Center has been established in New York City by the International Bloembollencentrum (Flower Bulb Center) Hillegom, Holland, which represents the country's flower bulb industry.

The new office is central to a major program designed to support and expand the recent increased demand for Dutch flower bulbs in the United States.

"Current penetration in the United States market [of bulb] the number of buying households increased by 8 percent last year. penetration is still low in comparison with other countries," stated G.N.A. Le Poole, director of the International Bloembollencentrum. "The U.S. market is viewed as having vast potential, which we will endeavor to develop through this new program," he said.

The program of the Netherlands FlowerBulb Information Center will encompass trade information services, public relations, advertising, distribution of promotional and sales support material and product information. The new agency will also assume the functions of the New Jersey-based Netherlands Flower Bulb Institute, whose director, Robert G. La Faut, has become special consultant to the International Bloembollencentrum, Hillegom.

The Netherlands FlowerBulb Information Center is located at 230 West 57th Street-Suite 522, New York City, NY 10019.

Ranking second only to equipment purchases in the survey was grass and lawn work. More than 72 percent of the respondents indicated they had done lawn work in fall 1984 as compared to 69.6 percent in fall 1983 and 57.8 percent in fall 1982.

The two highest ranking lawn and grass activities for fall 1984 were applying lawn fertilizer and repairing bad spots in the lawn. Almost 37 percent said they applied a weed treatment during the fall.

About two-thirds of the respondents also indicated they did gardening activities involving trees or shrubs, bushes and hedges.

About 48 percent said they worked with flower bulbs during fall 1984.

The activities, in order of popularity, were planted bulbs in yard, applied mulch, fertilized, treated the soil and potted bulbs for winter bloom.

Forty percent of the respondents also engaged in activities involving vegetable gardening. The most common activity was tilling the soil with 21.8 percent involved.

Almost half of the participants (49.4 percent) also said their expenditures for lawn and garden remained about the same in 1984. Almost one quarter said expenditures increased, and 22.2 percent indicated they were lower. During the fall of 1984, the respondents' lawn and garden expenditures were an average of $187.47 per household.

Although this survey cannot be considered an accurate barometer of the entire market, it does give an indication of fall gardening activity in at least one segment of the market. The participants in the Better Homes & Gardens Consumer Panel are all readers of the magazine, and certain assumptions can be made. Most are homeowners and rather affluent. Considering few use landscape professionals, it appears many are DIYers.

Fall gardening in this market segment appears to be enjoying steady growth overall. All of the eight general categories of fall gardening activities show steady increases in activity. In some categories the growth is quite rapid. Overall, it appears this group of consumers is becoming more aware of and involved in fall gardening. □

What this ad means to you, the retailer.

It means selling a profit-maker.

Growing with the best in the business.

Oxygen Plus® was developed by Roger's Gardens, one of the brightest spots in the nursery trade. Since 1978, this unique plant food – which combines all the essential nutrients with a simple, effective oxygen delivery system to the roots – has been in regular use in their plant shop where it has measurably improved the life, beauty and salability of foliage and flowering plants.

Roger's Gardens

For the past five years, Roger's Gardens has consistently sold an average of 600 units of Oxygen Plus a month.

That can mean only one thing: Oxygen Plus works.

And that's something you can profit from – sale after sale.

What this ad means to your customers.

It means here's a plant food with a unique ingredient that delivers life-giving oxygen to the roots.

All you have to do to grow bigger, greener, more vigorous indoor and outdoor potted plants is fertilize them with Oxygen Plus. Even if you overwater, it's O.K.

That's the message your customers will also get from our exciting television advertising. To help bring you into the picture, we're offering substantial advertising allowances, displays and point-of-purchase materials – including reprints of the full-color ad at the left.

University research and independent studies have shown that Oxygen Plus is beneficial to plants.

And what benefits your customers' plants... ultimately benefits you.

For more information call toll-free 1-800-221-2589 (in Calif. 714-640-9360). Ask for Oxygen Plus sales benefits.

OXYGEN PLUS®

It breathes life into your plants ...from the roots up.

Circle (24) on Reply Card

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winter produced. "Heavy, wet snow is very hard on snowthrower belts and other parts," says Wunder, of Don's Small Engine Service. Wunder, who indicated his sales in this product category were up, says that kind of snow made those snowthrowers already in the marketplace prone to repair in fall 1984.

"Repair: best money maker"

A common comment made by power equipment dealers was that repair work kept them going even if sales of whole goods did not.

A significant increase in sales of replacement parts and in spark plugs and ignition components substantiate their comments.

Spark plugs and ignition components were up, said 42 percent of the total respondents; only 5 percent indicated decreases. And 53 percent of the dealers indicated increases with only 7 percent indicating any decreases.

Also, according to 42 percent of the respondents, replacement parts increased in sales; only 7 percent indicated decreases. Furthermore, 56 percent of the power equipment dealers noted increases, and only 9 percent indicated decreases.

What does this mean? According to many dealers, this means more and more people are deciding to fix up rather than buy new.

"I think price has a lot to do with it," says William Thomas, owner of Indian Hill Equipment Co., Vineyard Haven, Mass. "For example, mowers have been inching up in price, and more people are now willing to repair rather than replace," he speculates.

This school of thought is shared by many, and may be applied to reasons why chainsaws and garden tractor sales did not increase significantly in sales either.

Thirty-one percent of the dealers indicated chainsaw sales were up, yet a full 25 percent indicated sales decreased. And 23 percent of the hardware/home centers indicated increases, but 24 percent indicated decreases. Overall, sales were up, said 27 percent; 24 percent said they were down. Only sales successes by dealers helped sway the balance the other way.

And garden tractors experienced the same kind of sales. Twenty-three percent overall reported increases, and 18 percent reported decreases in sales. Only multi-department stores reported significant sales increases: 17 percent said sales increased; 8 percent said sales decreased.

But the idea that more people are repairing than replacing may only account for part of the answer to leveled sales. Another speculation is that there are so many garden tractors and chainsaws already in the marketplace.

Offers Bachtig, "We had seven to eight years of good sales of chainsaws; now those sales have leveled off and those saws are being maintained; the same with lawnmowers....There are so many lawnmowers out there, we can't keep track of them."

Sales of batteries for lawn and garden tractors did increase, which may substantiate this theory. Twenty-five percent indicated increases, compared to the 10 percent who noted decreases. But some 34 percent of the dealers responding indicated increases and 13 percent indicated decreases.

In all, total responses from all four classes of retailers, do indicate that sales of these lawn and garden products did well in fall 1984. Some respondents even indicated they are planning major product expansions for the 1985 fall selling season.

Although, 71 percent of the multi-department stores, 80 percent of the hardware/home centers and 66 percent of the power equipment dealers said they were not planning any substantial expansions or reductions (of 15 percent or more) in inventory of lawn and garden products for the fall 1985 sales season, about one-third of the respondents indicated they were. Twenty-nine percent of the multi-department stores were planning major expansions; 8 percent were planning reductions. Eighteen percent of the hardware/home centers were planning major expansions; only 6 percent were planning reductions.

And 29 percent of the power equipment dealers indicated they were planning major expansions; 12 percent indicated reduction plans.

Forecasts one power equipment dealer: "1985 looks promising.... Sales should be good, offering a 15-20 percent increase." □

How home centers rank lawn and garden

■Although most home centers have committed considerable space and dollars to lawn and garden departments, a recent study reveals that in terms of turns, sales per square foot and other measures of departmental productivity, lawn and garden is not at the top of the list.

The National Retail Hardware Assn. sent confidential mail questionnaires to retail home centers with sales of at least $500,000 and sales floors of at least 8,000 square feet. The 163 usable responses were used to prepare a report titled *The Bottom Line.*

The report is a detailed financial operating report for retail home centers that are geared to generate sales of more than $1 million at maturity. In a departmental breakdown, lawn and garden was reported to be a part of 81.9 percent of the operations.

In home centers that handle lawn and garden products, sales of lawn and garden appear to be a significant and profitable department but not the most profitable. Home centers handling the department report that 12.8 percent of net sales come from lawn and garden. The department does, however, take up 20.5 percent of the inside sales area. This translates into $89.53 per square foot of sales area.

Although difficult to compare because not all the surveyed home centers carry lawn and garden products, it seems lawn and garden provides the lowest dollar sales per square foot of sales area.

The lawn and garden department also makes up 13.2 percent of the handling firms inventory and 15.9 percent of the cost of goods sold.

The average store profile shows data for a home center handling all departments in the report and allows a comparison of the relationships among departments within a single operation.

Using these figures, results are similar to those obtained from the raw percentages. In an average store profile, lawn and garden products make up 9.4 percent of sales and occupy 16.6 percent of the sales area. It also comprises 9.8 percent of the total store inventory and makes up 11.5 percent of the cost of goods sold.

The profile also indicates that although the lawn and garden department includes the greatest percentage of floor space, it ranks only fifth of 14 departments in terms of percentage of net sales. It also ranks third in the percentage of cost of goods sold; only lumber and building materials have a higher percentage of cost of goods sold.

A typical store profile showing the percentage of gross margin, the sales to inventory ratio and the gross margin return on investment also places lawn and garden in the middle of all departments based on these measures of productivity.

Lawn and garden products contribute a gross margin of 29.5 percent. That ranks lawn and garden ninth among the 14 departments measured. Although it is in the bottom half of the ranking, lawn and garden still maintains a respectable gross margin percentage.

A second measure of a home center's productivity is the sales to inventory ratio. This ratio is obtained by dividing net sales by average inventory at cost. Lawn and garden has a sales to inventory ratio of 5.2 times, which places it fifth.

This ratio also should not be considered alone. The gross margin return on investment (GMROI) allows evaluation of departmental performance using both the gross margin and sales to inventory ratio. The GMROI is computed by taking the margin percentage times the sales to inventory ratio. It allows evaluation of performance across diverse merchandise lines.

The report gives lawn and garden a GMROI index of 1.55. This means for every $1 invested in lawn and garden inventory a home center earns a margin of $1.55 in return.

Using this measure, lawn and garden remains in the middle among departments. It ranks eighth using GMROI, between paint and home decorating with the high GMROI of 2.14 and major appliances and home entertainment with the low of .91.

The report does not indicate lawn and garden is an outstanding performer, but it does show a steady performance using any of the measures.

To obtain a copy of the NRHA *The Bottom Line* for retail home centers, *The Management Report* for retail hardware stores or *The Lumber/Building Materials Financial Report* for operators with a retail sales floor, contact Bradley T. Farnsworth, director of research services, or Pamela L. Haller, information services coordinator, at NRHA, 770 N. High School Rd., Indianapolis, IN 46224, (317) 248-1261.

The first copy of each is $20, each additional copy is $3. □

Average Home Center Profile

Lawn and Garden Dept.*

*Based on home centers which carry all of the 14 product categories measured.